

OIL CONSERVATION DIVISION
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SF-079995-A (GC)
3162.7 (07327)

DHC-1018

MAY 25 1994

Mr. George F. Sharpe
Merrion Oil & Gas Corporation
P. O. Box 840
Farmington, NM 87499

Dear Mr. Sharpe:

The Farmington District Office of the Bureau of Land Management has evaluated your application dated May 2, 1994, for commingling of the Blanco Mesaverde and Gavilan Pictured Cliffs formations in the No. 1 Featherstone Federal located 990' FNL and 500' FEL of Sec. 19, T. 26 N., R. 2 W., Federal Lease No. SF-079995-A, Rio Arriba County, New Mexico, NMPM.

We have reviewed the analysis presented in your application and agree that downhole commingling is a viable alternative to prematurely abandoning this well.

We hereby approve downhole commingling of the Blanco Mesa Verde and Gavilan Pictured Cliffs formations using the following allocation formulas:

Gas Production: Mesa Verde Rate = 69.0% of total production.

Pictured Cliffs Rate = 31.0% of total production.

Oil Production: Mesa Verde Rate = 66.7% of total production.

Pictured Cliffs Rate = 33.3% of total production.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

Duane W. Spencer
Chief, Branch of Reservoir Management

bcc:
NMOCD, Santa Fe, NM